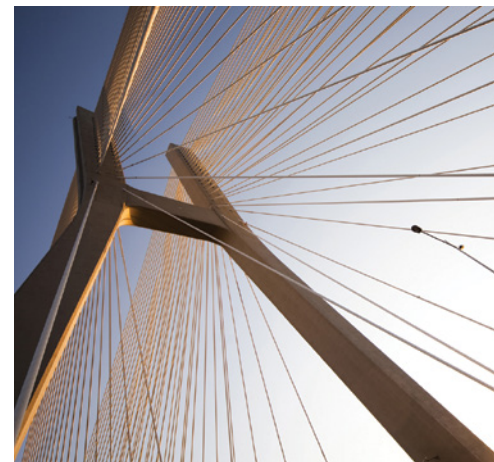


# Communicating with Customers in Context

Understand customer needs at specific moments



## CONTEXT IS EVERYTHING

Most executives would agree that the more a company knows about a customer, the better positioned that company is to serve them. This has led to big data projects, data warehouses and many other technology-based fact-gathering missions. After collecting terabytes of demographic, behavioral, and psychographic data, these efforts still often lack a critical component: context.

Context helps businesses understand the human components of a customer's situation: that unique combination of mood, intent, location, past history, personal preferences and affinities that leads to a specific customer need at a specific moment. Regardless of the amount of historical data analyzed, it is difficult to create valuable interactions without an understanding of a customer's current context. Even with increasing access to real-time data, it is very difficult to contextualize a customer interaction without the customer's willing participation. Research shows that a majority of customers are willing to share personal information with businesses subject to three key criteria:

- There is an offer of value in exchange for the information.
- They trust that the information will be kept secure.
- They have control of how the information is used or shared.

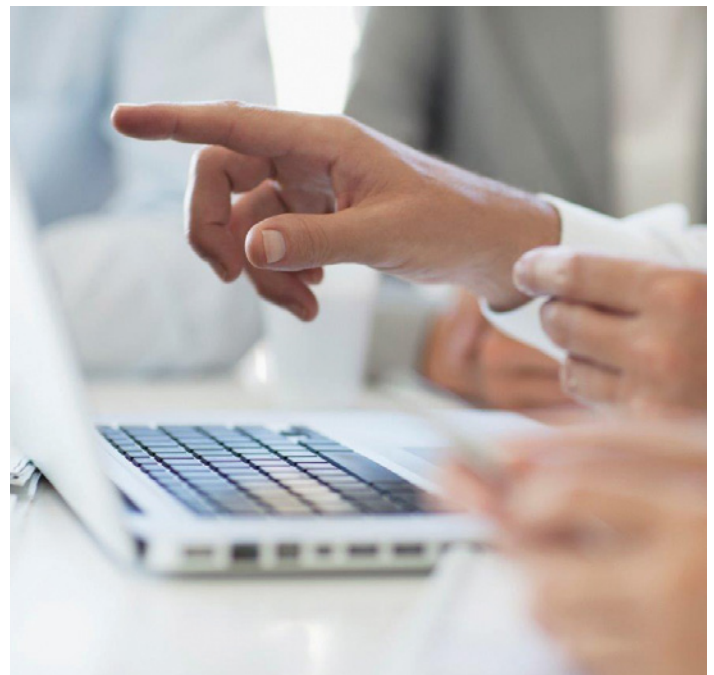
This white paper focuses on the cultural and strategic approaches necessary for a company to gain the permission and participation of their customers to enable a value exchange in the form of contextual customer communications, including how to use that information to make the communications cycle more valuable to both the business and the customer.

Recognizing that most consumers are willing to share personal information in return for improved service,<sup>1</sup> businesses who want to capitalize on improved customer loyalty must approach customer preference data as a tangible asset to be acquired, managed, and reflected in every customer communication.

The cultural component entails management's commitment to giving customers valuable and enjoyable experiences with the company. The process begins by equipping all customer-facing employees to anticipate customer needs and proactively communicate; this should extend to improvements in automated interactions, such as interactive voice response and self-service portals, with an overarching goal of earning access to additional customer data to drive further value. The more businesses learn from customers rather than simply about them, the more customer-centric the relationship becomes.

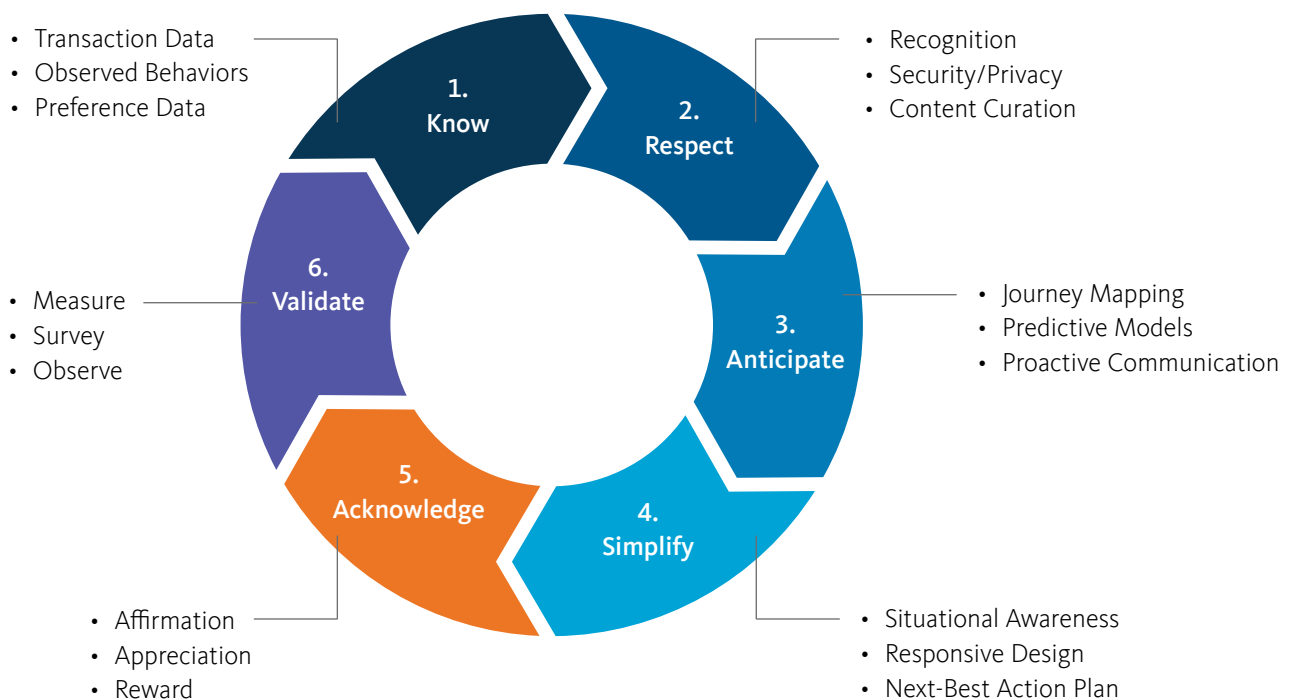
### EARNING A CONTEXTUAL VIEW OF CUSTOMERS

While fully 99% of companies believe that achieving a single customer view is important to their business, only 24% believe they have achieved it.<sup>2</sup> Many don't know where to start.



Achieving the robust customer view necessary to support delivery of contextual communications requires an iterative process of understanding the customer, anticipating their needs, responding to those needs, and continually gathering input from them to understand how those needs are evolving over time (see figure below). It is this continuous interchange of data collection and the transformation of data into improved customer service that allows a robust view of the customer to be developed, maintained, and strengthened over the course of the relationship.

## THE CONTEXTUAL COMMUNICATION CYCLE



### 1. KNOW.

Before you can begin to map out a strategy, you must have a good picture of your customer base as a whole, as well as a methodology for extracting information about individual customers. Data about customers can come from many places, including transaction data, contact history, self-identified information, data aggregation, and social listening. While the quest to know the customer can get complex, the simplest and most effective place to start is with the customer's transaction data and the behaviors that you can observe from that data; their interactions with you via website, call center and other contact points; and, most importantly, the information the customer offers about themselves in terms of needs and preferences.

### 2. RESPECT.

Making the effort to know your customers, recognizing who they are during interactions, and presenting them with information that is personalized and relevant to their needs are key ways to demonstrate respect. It is also critical to respect the customer's privacy. The customer should have the ability to opt-in for data collection rather than opting out and companies must take all necessary precautions to safeguard customer data including educating customers about online security best practices. If customers do not trust in the security of their personal information, they will not volunteer preference information or opt-in for activity tracking initiatives. This extends to transparency in the sharing of data with third-parties and a willingness to let customers choose not to share their data with third parties.

### 3. ANTICIPATE.

Each customer touchpoint is only one stepping stone along the customer's journey. Whether communication is initiated by the customer or the company, there is a next logical step or next-best action to take in response to that communication. Some of these next steps can be intuited purely through common sense; however, designing robust customer experiences typically involves some level of customer journey mapping or even the use of predictive models to anticipate customer needs. When used effectively, these tools can help tailor communications to simplify the customer's path, anticipate their emotions, and proactively communicate with the customer to avoid a problem or exceed their expectations. Each customer's time is valuable; making tasks easier, saving them time, and improving their experience is a tacit component of the value exchange when a customer offers preference data.

### 4. SIMPLIFY.

Making the customer journey simple can be incredibly complex. When done well, it appears effortless because all of the processes work together to steer the customer where they need to go next. From individual communications to the interactions they enable, on whatever device the customer chooses to use, the path should be easy to follow due to the use of effective and responsive design, plain language, curated relevant content, awareness of the customer's situation or location, and cross-channel integration.

### 5. ACKNOWLEDGE.

Opportunities to acknowledge the customer for an interaction, a completed transaction, or their tenure as a customer are not to be wasted. It is particularly important to acknowledge when a customer has shared personal data and to provide clear information on how that information can be used and maintained. Proactive communications are an opportunity to restart the cycle of loyalty, which emphasizes that you know and respect your customer. They are also an opportunity to validate preferences, gather further information on interests and affinities, and deepen the relationship.

### 6. VALIDATE.

Make sure to measure how well your communications are meeting your customers' needs. Solicit direct input from customers, track key data points, and observe changes in customer behavior. Beyond surveys, stay attuned to social chatter, consider customer focus groups, and continually research changes in trends and preferences among your customer demographics. Synthesize this information as input back into the "Know" process, continuing the contextual communication cycle.





## CONTEXTUALIZING CUSTOMER COMMUNICATIONS

Learning about customers in the context of their current situation, emotional state, and specific needs allows customer communications to raise the overall customer experience and, most importantly, help to avoid bad experiences.

If a customer calls to report a problem with their credit card, for example, and successfully navigates your phone tree to report the problem, understand that they may be frustrated once they reach a human. Avoid upsetting them further by asking them who they are and why they are calling. Recognize the customer by name and ask, “Are you having a problem with your credit card?”

Customer communications can be used to avoid that call in the first place. For example, new cable, internet, and telephone customers are typically confused by prorated services in the first month and will often call customer service. To avoid the call and improve customer experience, tailor the first bill to help the customer understand what charges are for a regular monthly bill and what is for a partial month or any other unusual charges. Enhancing customer communications can deliver measurable benefits; for example, Sprint reported that their push to improve customer communications yielded an 18% reduction in calls to Customer Care.<sup>6</sup> Churn is also a big problem in subscription businesses so starting customers off right is necessary to reduce support costs and improve loyalty.

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**65% of consumers switch from one provider to another because of a bad experience.<sup>3</sup>**

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**51% of consumers are likely to post a review and/or tell friends about a company that offers a poor customer experience whereas 49% would share if it were a good experience.<sup>4</sup>**

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**62% of consumers get frustrated when a customer service agent asks them for information they already provided to someone else at the company.<sup>5</sup>**

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*Only 1 out of 26 unhappy customers complain; the other 25 leave silently.*

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It's not enough to respond to problems effectively, companies must also use information gained about customers to anticipate potential issues, proactively communicate, and seek feedback. Only 1 out of 26 unhappy customers complain; the other 25 leave silently.<sup>7</sup> Customer communications are the continuing touchpoint to reach customers before they leave. Increase customer satisfaction by making communications available on their channels of choice, ensuring they are responsively designed, and packing them with relevant content to meet their particular situations. For example, if a credit card customer is traveling abroad, send an alert of the relevant currency exchange rate. When their bill is due, make it easy to find the exchange rate on the day each transaction was posted and explain how calculations were made including any transaction fees.

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**In transaction-based businesses, customers who had the best past experiences spent 140% more than those who had the poorest past experience.<sup>8</sup>**

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According to Juniper Research, 40 percent of mobile banking customers, while accessing their accounts via apps on their mobile phone, will still ring call centers or visit a branch for certain transactions.

Customers want you to use the information they share to improve their service. This means enabling them to choose their preferred channel for each interaction. Many customers who would be willing to turn off paper bank statements still want other types of correspondence mailed.

#### **WHAT TO CONSIDER WHEN IMPLEMENTING CONTEXTUAL COMMUNICATIONS**

1. Customers want to specify their contact preferences and companies would be wise to listen and learn.
2. Don't make paper suppression an "all or nothing" proposition. Allow customers to choose the communication channel by document type.
3. Be creative with alerts. Allow the customer to set preferences for alerts for types of account activity (e.g. transaction amounts, foreign transactions), payment reminders, and renewal or promotional dates.
4. Consider offering communications in multiple languages. Twenty-two percent of U.S. residents now speak a language other than English at home and more than 26 million say they speak English less than "very well."<sup>9</sup>



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**While only 12% of companies are able to successfully upsell or cross-sell to new customers, 65% are able to successfully upsell or cross-sell to existing customers.<sup>10</sup>**

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When we communicate with customers the way they want, we earn the opportunity to sell them more services and improve the odds that they will buy.

The customers we keep are the customers we grow. Keeping customers happy can reduce the cost to serve them. Unhappy customers are more likely to call customer service, return products, or require support. If the customer issue is resolved at the first engagement, 67% of customer churn is preventable.<sup>11</sup>

Adding a contextual element to your communications strategy ensures that you are considering the continuum of care that customers require from situation to situation and device to device while providing the opportunity to reap the rewards that come from delivering superlative customer service.

<sup>1</sup> Pew Research, "Privacy and Information Sharing," January 2016

<sup>2</sup> MarTech Advisor, "How Data is Defining Today's Customer Journey," May 2016

<sup>3</sup> Keypoint Intelligence-InfoTrends, North America Survey Results - Transactional Communications: Consumer Survey, April 2018

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> Sprint Corporate Responsibility Report 2014, [http://goodworks.sprint.com/2014\\_CR\\_Performance\\_Summary/people.html](http://goodworks.sprint.com/2014_CR_Performance_Summary/people.html)

<sup>7</sup> thinkjar annual survey and associated thinkjar research

<sup>8</sup> Harvard Business Review, "The Value of Customer Experience, Quantified," August 2014

<sup>9</sup> Center for Immigration Studies, "65.5 Million U.S. Residents Spoke a Foreign Language at Home," 2017

<sup>10</sup> thinkjar annual survey and associated thinkjar research

<sup>11</sup> Ibid.

## CONTACT US

For additional information, please contact us at +1 (800) 353-0103 or at [broadridge.com](http://broadridge.com).

## ABOUT BROADRIDGE CUSTOMER COMMUNICATIONS SOLUTIONS

Our customer communications solutions transform how organizations communicate with their customers by creating an optimal, integrated digital and print experience. By seamlessly connecting customers with relevant content across the existing and emerging channels they prefer, your transactional, marketing and regulatory communications can drive greater efficiency, engagement and results.

Broadridge, a global fintech leader with \$4 billion in revenue, provides communications, technology, data and analytics solutions. We help drive business transformation for our clients with solutions for enriching client engagement, navigating risk, optimizing efficiency and generating revenue growth.

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